

AMENDED IN ASSEMBLY JULY 10, 2003

AMENDED IN ASSEMBLY JULY 2, 2003

**SENATE BILL**

**No. 930**

**Introduced by Senator Burton**

*(Coauthors: Assembly Members Cohn and Strickland)*

February 21, 2003

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An act to amend Section 12012.85 of, and to add Section 12012.90 to, the Government Code, and to amend Sections 4369, 4369.1, 4369.2, 4369.3, and 4369.4 of, and to repeal Section 4369.5 of, the Welfare and Institutions Code, relating to gambling, ~~and~~ making an appropriation therefor, *and declaring the urgency thereof, to take effect immediately.*

LEGISLATIVE COUNSEL'S DIGEST

SB 930, as amended, Burton. Gambling.

(1) Existing law ratifies specified tribal-state gaming compacts. Existing law also establishes in the State Treasury the Indian Gaming Special Distribution Fund for the receipt and deposit of gaming device license fee moneys received by the state from Indian tribes pursuant to the terms of the tribal-state compacts. Money in that fund is available for appropriation by the Legislature for various purposes, including grants to address gambling addiction, grants for the support of agencies impacted by tribal government gaming, and compensation for regulatory costs. Existing law also creates in the State Treasury the Indian Gaming Revenue Sharing Trust Fund for the receipt and deposit of moneys derived from gaming device license fees paid by compact tribes. Money in that fund is available to the California Gambling Control Commission, upon appropriation by the Legislature, for

distribution to noncompact tribes, according to the terms of the tribal-state gaming compacts.

This bill would also specify that money in the Indian Gaming Special Distribution Fund may be used to make payment of shortfalls that may occur in the Indian Gaming Revenue Sharing Trust Fund. The bill would also establish a mechanism by which funds may be transferred from the Indian Gaming Distribution Fund to the Indian Gaming Revenue Sharing Fund pursuant to specified provisions of the tribal-state compacts.

(2) Existing law establishes the Office of Compulsive Gambling in the State Department of Mental Health. The office is responsible for developing a compulsive gambling prevention program within the state that consists of designated components.

This bill instead would establish the office in the Department of Alcohol and Drug Programs. The bill would revise designated components of the program, would require the office to develop a program to support treatment services for described gamblers, and would require that implementation of these programs be based upon allocation priorities established by the Department of Alcohol and Drug Programs and be subject to funding being appropriated for that purpose.

This bill would modify other provisions relating to the compulsive gambling prevention program established under these provisions, including revising the definition of various terms and revising the list of state agencies expressly required to coordinate on specified issues under these provisions.

(3) The bill would appropriate the sum of \$3,000,000 from the Indian Gaming Special Distribution Fund to the Department of Alcohol and Drug Programs to conduct a gambling prevalence study and to implement a compulsive gambling prevention program.

(4) *The bill would declare that it is to take effect immediately as an urgency statute.*

Vote: ~~majority~~ <sup>2/3</sup>. Appropriation: yes. Fiscal committee: yes. State-mandated local program: no.

*The people of the State of California do enact as follows:*

1 SECTION 1. Section 12012.85 of the Government Code is  
 2 amended to read:  
 3 12012.85. There is hereby created in the State Treasury a fund  
 4 called the “Indian Gaming Special Distribution Fund” for the



1 receipt and deposit of moneys received by the state from Indian  
2 tribes pursuant to the terms of tribal-state gaming compacts. These  
3 moneys shall be available for appropriation by the Legislature for  
4 the following purposes:

5 (a) Grants, including any administrative costs, for programs  
6 designed to address gambling addiction.

7 (b) Grants, including any administrative costs, for the support  
8 of state and local government agencies impacted by tribal  
9 government gaming.

10 (c) Compensation for regulatory costs incurred by the State  
11 Gaming Agency and the Department of Justice in connection with  
12 the implementation and administration of tribal-state gaming  
13 compacts.

14 (d) Payment of shortfalls that may occur in the Indian Gaming  
15 Revenue Sharing Trust Fund.

16 (e) Disbursements for the purpose of implementing the terms  
17 of tribal labor relations ordinances promulgated in accordance  
18 with the terms of tribal-state gaming compacts ratified pursuant to  
19 Chapter 874 of the Statutes of 1999. No more than 10 percent of  
20 the funds appropriated in the Budget Act of 2000 for  
21 implementation of tribal labor relations ordinances promulgated  
22 in accordance with those compacts shall be expended in the  
23 selection of the Tribal Labor Panel. The Department of Personnel  
24 Administration shall consult with and seek input from the parties  
25 prior to any expenditure for purposes of selecting the Tribal Labor  
26 Panel. Other than the cost of selecting the Tribal Labor Panel, there  
27 shall be no further disbursements until the Tribal Labor Panel,  
28 which is selected by mutual agreement of the parties, is in place.

29 (f) Any other purpose specified by law.

30 SEC. 2. Section 12012.90 is added to the Government Code,  
31 to read:

32 12012.90. (a) For each fiscal year commencing with the  
33 2002–03 fiscal year, the California Gambling Control  
34 Commission shall determine the aggregate amount necessary to  
35 make up the difference between one million one hundred thousand  
36 dollars (\$1,100,000) and the actual amount paid to each eligible  
37 recipient Indian tribe during the fiscal year from the Indian  
38 Gaming Revenue Sharing Trust Fund pursuant to Section 4.3.2.1  
39 of the tribal-state gaming compacts ratified and in effect as

1 provided in subdivision (f) of Section 19 of Article IV of the  
2 California Constitution.

3 (b) Upon authorizing the final payment for each fiscal year  
4 from the Indian Gaming Revenue Sharing Trust Fund, the  
5 California Gambling Control Commission shall report the amount  
6 of this deficiency to the committee in the Senate and Assembly that  
7 considers the State Budget.

8 (c) Upon a transfer of moneys from the Indian Gaming Special  
9 Distribution Fund to the Indian Gaming Revenue Sharing Trust  
10 Fund and appropriation thereof in the Budget Act, the California  
11 Gambling Control Commission shall distribute the moneys as  
12 provided in Section 4.3.2.1 of the tribal-state gaming compacts to  
13 tribes that were eligible to receive those payments during the ~~fiscal~~  
14 ~~year~~ immediately preceding *fiscal year*.

15 SEC. 3. Section 4369 of the Welfare and Institutions Code is  
16 amended to read:

17 4369. There is within the State Department of Alcohol and  
18 Drug Programs, the Office of Compulsive Gambling.

19 SEC. 4. Section 4369.1 of the Welfare and Institutions Code  
20 is amended to read:

21 4369.1. As used in this chapter, the following definitions shall  
22 apply:

23 (a) “Compulsive gambling” means any participation in  
24 gambling activities due to impulse or compulsion, or obsession  
25 with participation in gambling activities that is compromising,  
26 disruptive, or damaging to the gambler’s family or employment.

27 (b) “Compulsive gambling prevention programs” means  
28 programs designed to reduce the prevalence of problem and  
29 compulsive gambling among California residents, including, but  
30 not limited to, public education and awareness, training, data  
31 collection, problem gambler identification, and referral services.

32 (c) “Department” means the State Department of Alcohol and  
33 Drug Programs.

34 (d) “Office” means the Office of Compulsive Gambling.

35 (e) “Pathological gambling” means an impulse control  
36 disorder characterized by a persistent, recurrent, and  
37 uncontrollable impulse to participate in gambling activities that  
38 meets the diagnostic criteria set forth in the Diagnostic and  
39 Statistical Manual, Version 4 of the American Psychiatric  
40 Association.

(f) “Problem gambling” means patterns of gambling-related behavior that compromise, disrupt, or damage personal, family, educational, and vocational pursuits. The term includes pathological and compulsive gambling.

SEC. 5. Section 4369.2 of the Welfare and Institutions Code is amended to read:

4369.2. (a) The office shall develop a compulsive gambling prevention program for problem, underage, and compulsive gamblers within the state. *Administrative costs for the program may not exceed 10 percent of the total funding budgeted for the program.* Based upon the allocation priorities established by the department and subject to funding being appropriated for the purpose of this subdivision, the comprehensive prevention program shall consist of all of the following:

- (1) Prevention and education services to the general public.
  - (2) A toll-free telephone service for referral of compulsive gamblers to compulsive gambling counselors and self-help groups.
  - (3) Research into the origin, causes, treatment, and prevalence of problem gambling and pathological gambling among juveniles and adults, including the identification of risk factors and indicators of compulsive gambling.
  - (4) Training of certified, registered, licensed health professionals in the areas of problem gambling, underage gambling, and compulsive gambling, including, but not limited to, identification of problem gambling behavior and knowledge of referral services and treatment programs.
  - (5) Training of gaming industry organizations on identifying customers at risk of engaging in behaviors associated with compulsive gambling and knowledge of referral and treatment services.
  - (6) Identifying and transferring best practices in compulsive gambling prevention.
- (b) The office shall develop a program to support treatment services for problem, compulsive, and pathological gamblers within the state. Based upon the allocation priorities established by the department and subject to funding being appropriated for the purposes of this subdivision, the treatment program shall consist of all of the following:

1 (1) Treatment services for problem, compulsive, and  
2 pathological gamblers and their immediate families, including,  
3 but not limited to, outpatient services, intensive outpatient  
4 services, aftercare services, and inpatient services to those persons  
5 requiring specialized care.

6 (2) A funding allocation methodology that ensures treatment  
7 services are delivered efficiently and effectively to areas of the  
8 state most in need.

9 (3) Appropriate review and monitoring of treatment programs  
10 provided at the local level, including, but not limited to, standards  
11 for treatment, certification of treatment providers and facilities,  
12 and grant oversight and monitoring.

13 (c) The office shall make information available as requested by  
14 the Governor and the Legislature with respect to the  
15 comprehensive program.

16 SEC. 6. Section 4369.3 of the Welfare and Institutions Code  
17 is amended to read:

18 4369.3. In designing and developing the overall program, the  
19 office shall do all of the following:

20 (a) Develop a statewide plan to address the problem of  
21 pathological gambling.

22 (b) Adopt any regulations necessary to administer the program.

23 (c) Develop priorities for funding services and ~~develop~~ criteria  
24 for distributing program funds.

25 (d) Monitor the expenditures of state funds by agencies and  
26 organizations receiving program funding.

27 (e) Evaluate the effectiveness of services provided through the  
28 program.

29 (f) Notwithstanding any other provision of law, any contracts  
30 required to meet the requirements of this chapter are exempt from  
31 the requirements contained in the Public Contract Code and the  
32 State Administrative Manual, and are exempt from the approval  
33 of the Department of General Services.

34 (g) The first and highest priority of the office with respect to the  
35 use of any funds appropriated for the purposes of this chapter shall  
36 be to carry out subdivision (a).

37 SEC. 7. Section 4369.4 of the Welfare and Institutions Code  
38 is amended to read:

39 4369.4. All state agencies, including, but not limited to, the  
40 California Horse Racing Board, the California Gambling Control

Commission, the Department of Justice, and any other agency that regulates casino gambling or cardrooms within the state, and the Department of Corrections, the California Youth Authority, the State Departments of Health Services, Alcohol and Drug Programs, and Mental Health, and the California State Lottery, shall coordinate with the office to ensure that state programs take into account, as much as practicable, problem and pathological gamblers. The office shall also coordinate and work with other entities involved in gambling and the treatment of problem and pathological gamblers.

SEC. 8. Section 4369.5 of the Welfare and Institutions Code is repealed.

SEC. 9. The sum of three million dollars (\$3,000,000) is hereby appropriated from the Indian Gaming Special Distribution Fund to the Department of Alcohol and Drug Programs to conduct a gambling prevalence study and to implement a compulsive gambling prevention program.

SEC. 10. The compulsive gambling prevention program created in this chapter shall be expanded subject to funding appropriated in legislation enacted subsequent to this chapter or in the annual Budget Act.

*SEC. 11. This act is an urgency statute necessary for the immediate preservation of the public peace, health, or safety within the meaning of Article IV of the Constitution and shall go into immediate effect. The facts constituting the necessity are:*

*In order to ensure that provisions designed to prevent compulsive gambling are enacted as soon as possible, it is necessary that this act take effect immediately.*